

## Message Text

LIMITED OFFICIAL USE

PAGE 01 VICTOR 00313 081056Z

13

ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 DODE-00 PA-01 PRS-01 L-03 H-02 PM-04

/099 W

----- 011442

R 080745Z NOV 76

FM AMEMBASSY VICTORIA

TO SECSTATE WASHDC 175

INFO AMEMBASSY LONDON

AMEMBASSY NAIROBI

AMEMBASSY PORT LOUIS

STATE

LIMITED OFFICIAL USE VICTORIA 313

E.O. 11652: N/A

TAGS: EFIN, SE

SUBJECT: PRESSURE INCREASING FOR REVALUATION OF SEYCHELLES RUPEE

1. PRESSURE HAS BEEN MOUNTING STEADILY ON SEYCHELLES GOVERNMENT OVER PAST SEVERAL WEEKS TO REVALUE RUPEE UPWARD AGAINST STERLING TO WHICH CURRENCY PEGGED AT 13.33 RUPEES PER POUND. PRECIPITOUS DECLINE IN STERLING HAS INCREASED VALUE OF U.S. DOLLAR FROM 7.3 RUPEES AS RECENTLY AS INDEPENDENCE JUNE 29 TO ABOUT 8.2.. AT ONE POINT DOLLAR BOUGHT 8.35 RUPEES.

2. ISSUE, WHICH FIRST SURFACED PUBLICALLY AT SEPTEMBER SESSION OF NATIONAL ASSEMBLY, IS THEME OF HARD-HITTING NOVEMBER 6 SIGNED EDITORIAL BY STAFFER AT SEYCHELLES WEEKLY, OFFICIAL NEWSPAPER OF PRESIDENT MANCHAM'S MAJORITY SEYCHELLES DEMOCRATIC PARTY (SDP). EDITORIAL STATES REVALUATION INEVITABLE IN IMPORT-DEPENDENT ECONOMY AND SPECIFICALLY CALLS ON MINISTER  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 VICTOR 00313 081056Z

FOR FINANCE CHAMERY CHETTY TO TAKE IMMEDIATE STEPS TO REVALUE

RUPEE AT LEAST AGAINST TRADING CURRENCIES.

3. PRIME MINISTER F.A. RENE AND CHETTY ARE CURRENTLY IN UK AND SOME MEMBERS OF LOCAL BANKING COMMUNITY ARE SPECULATING THAT GOS OFFICIALS DISCUSSING WITH HMG EFFECTS OF POSSIBLE SEYCHELLES REVALUATION ON LARGE BRITISH CAPITAL ASSISTANCE PROGRAM (10 MILLION POUNDS OVER NEXT 19 MONTHS) AND UK COMMITMENT TO UNDER WRITE WITHIN UNDISCLOSED LIMITS, GOS BUDGET DEFICITS OVER NEXT FOUR YEARS.

4. COMMENT: REVALUATION WOULD BE BROADLY POPULAR MOVE WITH EXPORTERS OF COPRA AND CINNAMON ONLY MAJOR INTEREST GROUPS WHICH WOULD BE DISADVANTAGED. TOURISM INDUSTRY BOOMING WITH VIRTUAL FULL OCCUPANCY CONDITIONS FORECAST WELL INTO 1977.

HTMATTSON

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, ECONOMIC STABILITY, CURRENCIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 NOV 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MartinML  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976VICTOR00313  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760415-0998  
**From:** VICTORIA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19761169/aaaachpy.tel  
**Line Count:** 76  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MartinML  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19 MAY 2004 by CunninFX>; APPROVED <08 SEP 2004 by MartinML>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRESSURE INCREASING FOR REVALUATION OF SEYCHELLES RUPEE  
**TAGS:** EFIN, SE  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006